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C O N F I D E N T I A L SECTION 01 OF 03 THE HAGUE 001091

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TAGS: [EAID](#) [ECON](#) [EFIN](#) [IBRD](#) [PINR](#) [AF](#) [NL](#)
SUBJECT: NEW DUTCH DEVELOPMENT MINISTER ON WORLD BANK
PRESIDENT, AFGHANISTAN

REF: A. STATE 73691

[1](#)B. THE HAGUE 325

Classified by Ambassador Roland Arnall.
Reasons: 1.4 (b) and (d).

[1](#)1. (C) SUMMARY. In a meeting with Ambassador Arnall, new Development Cooperation Minister Koenders said Robert Zoellick was a credible World Bank presidential candidate but that future nominations should be open to candidates worldwide. He said NATO should remain in Afghanistan, despite mixed results to date. Improving the situation on the ground required a common approach to Afghan President Karzai and Pakistan as well as a careful balancing of the risks and rewards related to counter-terrorism efforts. With extensive previous experience in development and Africa, Koenders can be expected to increase Dutch development efforts on that continent. He will also remain an active voice in the Afghanistan debate. END SUMMARY.

Zoellick a Credible Candidate for World Bank Leadership...

[1](#)2. (C) Ambassador Arnall used a May 31 introductory meeting to deliver ref A points to Albert Gerard (Bert) Koenders, who took up his position in February as Minister for Development Cooperation in the center-left Balkenende IV cabinet (ref B). Koenders said Robert Zoellick was an interesting and credible candidate whose background in trade and Africa improved his chances of becoming World Bank President. With Wolfowitz's early departure, he added, it was "not illogical" that his replacement be an American. Although pressed by Ambassador Arnall, Koenders stopped short of offering GONL public support for Zoellick's nomination.

...but Future Nomination Process Should be Open

[1](#)3. (C) Koenders said future presidencies should be opened to candidates from all countries, as the World Bank was a global institution. The world situation had changed since the institution was created in 1944, he noted. If countries with large trade and aid flows were excluded, the Bank risked becoming "irrelevant," he argued. This had already happened to the IMF, whose structure did not reflect the emerging economies of Asia and Latin America. The World Bank and IMF were "key institutions," Koenders added, and their management structure needed to account for the rise of India and China.

¶4. (C) Ambassador Arnall expressed concern that opening the nomination process might subject it to political pressure. Koenders replied that any future nomination process would require broad support from the international community and World Bank and IMF staff. To avoid politicizing the process, each country could have a voice weighted by the size of its economy, he added.

NATO Should Stay in Afghanistan, but Results Mixed

¶5. (C) On Afghanistan, the Dutch military presence was playing a positive stabilizing role in the country and increased levels of U.S. aid were starting to improve economic conditions. These were indicators NATO should stay, Koenders said. While the future was unclear, he said the Dutch had a clear consensus to intervene. He agreed that Afghanistan should not have been left alone during the crucial years of 2002-2003. The resulting void was filled by the Taliban, Koenders noted, and it would be a "mistake" if NATO left now. The Dutch, he added, were trying to work with the Canadians, Australians, and Germans to move forward in Afghanistan. Koenders said the Germans were likely to increase funding, but that involvement in Afghanistan was an "uneasy" debate in Germany. Meanwhile, the absence of the UN or EU was "a shame," he said.

¶6. (C) On the ground, Afghanistan was a "mixed bag" with some limited improvements, Koenders said. He added it was important to look at tangible results -- rather than just intentions -- when judging success.

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Afghanistan's Drug Economy a Problem

¶7. (C) Afghanistan had a drug economy, Koenders said, and NATO needed to act now to address it, as drug consuming countries were also responsible for the problem. He suggested the right approach would include working with Pakistan and helping the Afghan police with counter-drug intelligence. The wrong approach, he said, was increasing eradication and targeting small farmers. This would simply lose "hearts and minds" while increasing support for the "guys we want to fight." NATO should also stop working with warlords who contribute to the drug problem, Koenders said, although he acknowledged some of the same warlords also contributed to general security.

As is the Lack of Consensus within NATO

¶8. (C) In many ways, Afghanistan was "a test" for NATO, which was divided on three key issues, Koenders said. First, NATO should send one, clear political signal to Pakistan. Second, Afghan President Karzai should receive a consistent message regarding concerns over warlords and drugs. Third, NATO required a common approach that balanced counter-terrorism efforts with the risk that these same efforts might facilitate terrorist recruitment. The risk, Koenders said, was that Afghanistan would become another Iraq.

Comment/Bio Info: Koenders Likely to Emphasize Africa...

¶9. (C) Koenders (49) is no stranger to development issues. As a political advisor to the Special Representative of the Secretary General of the UN, he worked in Mozambique, South

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Africa, and Mexico. He is also a former member of the Governing Council of the Society for International Development, Chair of the Board of the Parliamentary Network of the World Bank, and Chair of the Board of the Netherlands Atlantic Association. A gifted speaker (both in English and Dutch), he has a degree in political and social sciences from the University of Amsterdam and also graduated from the Johns Hopkins University School of Advanced International Studies in Bologna, Italy, and Washington, D.C., specializing in international economics and international relations. He later served as a visiting professor at the Johns Hopkins University School of Advanced International Studies in Bologna. Meanwhile, his service as the Principal Administrator for the policy planning staff at the European Commission's Directorate-General for external relations, conflict prevention, and EU enlargement should make him friendly toward working through multilateral channels.

¶10. (C) Traditionally in the Netherlands, the Minister for Development Cooperation becomes the de facto Minister for Africa. An advocate for preventive action and diplomacy as a means to prevent conflict and humanitarian crises, Koenders is likely to make Africa a higher priority than his predecessor, Ardenne van der Hoeven. While Koenders has yet to announce any significant changes in Dutch development policy, he has already taken steps to end efforts -- began under van der Hoeven -- to include funding for security sector reform in the definition of official development assistance.

...and Remain a Central Figure in the Afghanistan Debate

¶11. (C) As the Foreign Affairs spokesman for the PvdA (Labor Party) prior to the 2006 elections, Koenders is credited with convincing then-Party leader Wouter Bos to support the Dutch deployment to Uruzgan -- support that was critical in building the necessary Parliamentary majority for the mission. Many rank-and-file members of the PvdA, however, believe this decision was a mistake which cost the PvdA at the polls. Both Koenders and Bos (now Minister for Finance and Deputy Prime Minister in the coalition government) are under pressure from within their party to oppose an extension of the mission past July, 2008. Demonstrable success on the development front in Uruzgan, however, could help Koenders

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build a justification supporting extension.
ARNALL